

INCOMING TELEGRAM

Department of State

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Classification

Control:

290

Rec'd:

AUGUST 1, 1960
11:34 AM

FROM: DJAKARTA

TO: Secretary of State

NO: 283, AUGUST 1, 1 PM

PRESIDENT SUKARNO RECEIVED ME AT BOGOR PALACE SUNDAY MORNING JULY 31 FOR HALF HOUR COURTESY CALL AND AS I WAS LEAVING SAID HE WANTED TO HAVE SERIOUS TALK WITH ME AFTER HIS RETURN FROM BALI IN 10 DAYS AND PRIOR TO HIS AUGUST 17 INDEPENDENCE DAY SPEECH. GAVE NO HINT OF WHAT HE HAD IN MIND. NO SUBSTANTIVE ISSUES WERE DISCUSSED. SERIOUS ASPECTS OF CONVERSATION FOCUSED ON AMERICAN ATTITUDE TOWARD INDO AND SUKARNO AND EFFECT OF AMERICAN ELECTIONS ON FOREIGN POLICY.

"AS TO FIRST, I TOLD PRESIDENT I HAD FOUND CONSIDERABLY GREATER INTEREST AND UNDERSTANDING AND APPRECIATION OF PROBLEM OF INDO ON PART OF AMERICAN PEOPLE THAN EVER BEFORE. INDO WAS CERTAINLY "ON THE MAP". EVEN IN WHAT HAS BEEN REFERRED TO AS "ISOLATED MIDDLE EAST", I FOUND INTELLIGENT INTEREST IN PROBLEMS OF LESS DEVELOPED COUNTRIES.

"AND WHAT ABOUT INDO'S PRESIDENT?" SUKARNO ASKED. I TOOK OCCASION TO ASSURE HIM THAT GREAT DEAL OF RESIDUAL GOOD WILL EXISTED TOWARD HIM; THAT CRITICAL ATTITUDE OF CERTAIN PUBLICATIONS "TIME" PRESIDENT INTERJECTED DID NOT REPRESENT ATTITUDE OF AMERICAN GOVERNMENT OR PEOPLE GENERALLY TOWARD HIM. I SAID SEVERAL CONGRESSMEN HAD RECALLED HIS OUTSTANDING ADDRESS BEFORE JOINT SESSION OF CONGRESS IN 1956. I INDICATED, HOWEVER, THERE WERE WAYS IN WHICH SUKARNO HIMSELF COULD TAKE INITIATIVE IN IMPROVING CLIMATE US PUBLIC OPINION.

AS FOR US PRESIDENTIAL ELECTION, I SAID THERE WERE TWO VERY STRONG TICKETS IN FIELD BY THAT I WAS CONVINCED BOTH CANDIDATES HELD SAME GENERAL VIEWS ON FOREIGN POLICY AND THAT WHATEVER

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OUTCOME OF ELECTION NO FUNDAMENTAL CHANGE IN US POLICIES OR ATTITUDES TOWARD ASIA GENERALLY OR INDO IN PARTICULAR WOULD RESULT.

SUKARNO COMMENTED HE KNEW VICE PRESIDENT NIXON, HAD VERY HIGH REGARD FOR HIM; DID NOT KNOW KENNEDY BUT FROM WHAT HE HAD READ WAS INCLINED TO AGREE WITH ME.

ONLY SOUR NOTE IN CONVERSATION FOLLOWED MY EXTENSION PRESIDENT EISENHOWER AND VICE PRESIDENT NIXON'S REGARDS TO SUKARNO (BOTH HAVING REQUESTED ME TO DO SO). AFTER EXPRESSING THANKS SUKARNO EXCLAIMED WITH CONSIDERABLE FEELING : "WHY DIDN'T PRESIDENT EISENHOWER COME TO INDO? I CAN THINK OF ONLY TWO REASONS: (1) US GOVERNMENT DID NOT CONSIDER THIS COUNTRY OF SUFFICIENT IMPORTANCE (2) US GOVERNMENT WAS NOT INTERESTED IN DISPLAYING EVIDENCE OF SUPPORT FOR MY GOVERNMENT."

I ENDEAVORED FIELD THIS HOT ONE BY SAYING I DISAGREED WITH HIM; THAT I KNEW DECISION HAD BEEN MADE ON BASIS OF TIME LIMITATION AND HEALTH CONSIDERATION; THAT PRESIDENT EISENHOWER HAD TOLD ME HIMSELF HE WOULD HAVE LIKED TO HAVE EXTENDED FAR EAST TRIP.

I DID NOT MAKE OBVIOUS RETORT THAT CONTINUING US SUPPORT FOR SUKARNO'S GOVERNMENT DISPROVED POINT 2, BELIEVING THIS WOULD ONLY OPEN PANDORA'S BOX OF EVILS WITH WHICH I DID NOT HAVE TIME ADEQUATELY TO DEAL, VIZ: (1) SUKARNO'S INEVITABLE ADVERSION TO WEST IRIAN DISPUTE WHEN QUESTION OF US SUPPORT ARISES; (2) SUKARNO'S SUSPICION THAT CURRENT MILITARY AND ECONOMIC ASSISTANCE ARE CREDIT TO NASUTION'S ACCOUNT RATHER THAN HIS OWN; (3) ANTICIPATED REQUEST SUBSTANTIAL ADDITIONAL ECONOMIC DEVELOPMENT ASSISTANCE TO SHORE UP INDOS NEW EIGHTY YEAR DEVELOPMENT PLAN.

EXPLANATION QUITE OBVIOUSLY DID NOT SATISFY SUKARNO BUT ALTHOUGH QUITE CLEAR HIS VANITY HAD BEEN WOUNDED, I RECEIVED IMPRESSION HE WAS PREPARED WRITE THIS OFF ON BASIS FAVORABLE FUTURE DEVELOPMENT.

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Control: 14418

Rec'd: AUGUST 23, 1960

12:13 PM

Action Office Symbol

Name of Officer

Direction to DC/R

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Info

FROM: DJAKARTA

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TO: Secretary of State

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NO: 473, AUGUST 22, 4 PM.

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SENT DEPARTMENT 473, MOSCOW 2, WARSAW 1, BUCHAREST 1, BELGRADE 1, LONDON 22, CINCPAC 65, MEDAN UNNUMBERED.

CINCPAC FOR POLAD.

DURING COURSE OF HOURS CONVERSATION THIS MORNING, FIRST MINISTER DJUANDA MADE FOLLOWING POINTS:

1. ECONOMIC POLICY OF COUNTRY WOULD CONTINUE TO EMPHASIZE STATE ENTERPRISE BUT ROOM WOULD BE LEFT FOR PRIVATE ENTERPRISE. CABINET WAS WRESTLING CURRENTLY WITH ATTEMPT TO DEFINE MORE CLEARLY LINE OF DEMARKATION.

2. AS TO FOREIGN PRIVATE INVESTMENT, GOVERNMENT WOULD CONTINUE TO BE INTERESTED IN COOPERATION WITH FOREIGN PRIVATE ENTERPRISE BUT NOT ON OLD BASIS. INDO WOULD, IN MAKING FUTURE ARRANGEMENTS, INSIST ON RESTENTION OF OWNERSHIP, HANDLING ARRANGEMENTS WITH FOREIGN ENTERPRISE ON CONTRACTUAL BASIS. THIS WOULD BE TRUE OF OIL EXPLORATION.

3. DJUANDA AND KEY MEMBERS OF CABINET WOULD BE MEETING WITH PRESIDENT IN BOGOR NEXT 2 DAYS TO DISCUSS IMPLEMENTATION 8 YEAR PLANS AND OTHER PHASES ECONOMIC POLICY.

4. STRONGEST IMPRESSION OF RECENT TRIP TO RUSSIA AND EASTERN EUROPE WAS EXTENT TO WHICH COMMUNIST COUNTRIES HAD BEEN RENDERED ECONOMICALLY DEPENDENT UPON RUSSIA OR OTHER MEMBERS OF BLOC AS MEANS POLITICAL CONTROL. SEVERAL BLOC COUNTRIES, FOR EXAMPLE, WERE RUNNING INDUSTRIES WHICH WERE ENTIRELY DEPENDENT UPON BLOC FORTES OUTSIDE COUNTRY FOR RAW MATERIALS AND SPARE PARTS. THESE COUNTRIES WERE MAKING PROGRESS AT

EXPENSE

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EXPENSE OF INDEPENDENCE.

5. SECOND IMPRESSION FROM TRIP WAS EXTENT TO WHICH SEVERAL COUNTRIES OF BLOC WERE ENDEAVORING TO WORK OUT THEIR ONE RAW NATIONAL POLICIES, DEVIATING FROM COMMUNIST PATTERN. HE MENTIONED POLAND AND RUMANIA AS EXAMPLES. IN EACH COUNTRY HE HAD FOUND EVIDENCE OF DESIRE TO EMULATE TITO EXAMPLE, THOUGH IN SMALLER DEGREE.

6. AS TO REPORT FROM MEDAN (MEDAN TO DEPARTMENT 7). THAT GOI PLANS TO TAKE OVER 60 PERCENT OWNERSHIP FOREIGN ESTATES, DJUANDA SAID SUBJECT HAD NOT BEEN DISCUSSED IN CABINET. HE SAID THERE WERE MANY WILD RUMORS AFLOAT AND IT WAS TRUE THAT SOME ELEMENTS WANTED TO MOVE FARTHER IN DIRECTION NATIONALIZATION THAN OTHERS BUT NO SUCH DECISION HAD BEEN MADE AND HE INDICATED WOULD NOT BE, IN HIS VIEW.

7. SAME WAS TRUE OF OIL COMPANIES. DJAKARTA WAS FULL OF RUMOR EMANATING MAINLY FROM LEFTIST SOURCES. THERE WERE STILL SOME IN GOVERNMENT WHO WOULD LIKE AT LEAST TO EXTINGUISH DUTCH INTEREST IN SHELL (AT THIS POINT I REVIEWED COMPELLING ARGUMENTS AGAINST DOING SO) BUT HE AND OTHERS RECOGNIZED PRACTICAL DIFFICULTIES AND PROBLEMS WHICH WOULD BE CREATED BY SUCH ACTION.

8. NO CHANGES IN CABINET WERE IMMINENT. SUKARNO HAD CONSIDERED MAKING SOME CHANGES BUT PKI STATEMENT JULY 8 HAD HAD EFFECT CONTRARY TO ITS PURPOSE: SUKARNO WOULD MAKE NO CHANGES WHICH APPEARED TO BE RESPONSIVE THIS ATTACK. IN THIS CONNECTION HIS LEADER HAD NOTIFIED PRESIDENT REPRESENTATIVES HIS PARTY WOULD NOT SERVE IN CABINET WITH COMMUNIST.

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PRESIDENT APPEARED GLAD TO SEE ME, COULD NOT HAVE BEEN MORE CORDIAL, COMMENTED ON EXCELLENT JOB JOHN HENDERSON HAD DONE AS CHARGE DURING MY ABSENCE. PRESIDENT WAS BOUNCY, FULL OF BANTER. APPEARED FIT, ALTHOUGH HE COMMENTED HE WOULD HAVE TO GO ON DIET TO REGAIN HIS FIGURE, HAVING ADDED WEIGHT ON HIS RECENT WORLD TOUR.

JONES

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Control: 17913

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Rec'd: August 27, 1960
11:54 a.m.

Info

FROM: The Hague

INR

TO: Secretary of State

EUR

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CIA

NSA

NO: 253, August 27, 3 a.m.

RMR

SENT DEPARTMENT 253, REPEATED INFORMATION DJAKARTA 19.

Had long and, as usual, extremely cordial conversation with Indonesian Charge Susanto August 26. He had no recent information about his government's thinking re possibly raising West New Guinea question at UNGA. Also he seemed reluctant discuss subject of KAREL DOORMAN trip, so I did not press him. Susanto leaves for Bonn August 30 where his family will remain while he proceeds Djakarta for about two weeks consultation. Susanto said he will then go to New York where he is being assigned as Consul General.

YOUNG

LM:MM-9

Action Assigned to *RM*

Action Taken *Noted*

Date of Action *8-29-60*

Action Office Symbol *SP4*

Name of Officer *[Signature]*

Direction to DC/R *[Signature]*

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